THE MINISTER OF CIVIL AVIATION (SHRI CM. IBRAHIM):

(a) Details of financial position of Air India are as under:—

	93-94	94-95	95-96
Capital	79.47	153.84	153.84
Reserves & Surplus	1230.64	1281.57	980.67
Secured & Unsecured Loan	2845.19	2612.64	2612.95
Fixed Assets	2946.83	3100.14	3408.36
Current Assets, Loans & Advances	2194.24	2189.30	1854.62
Current Liabilities	1072.42	1424.00	1651.27
Net Worth	1310.01	1435.41	1134.51
Profit/(Loss)	201.90	40.80	(271.84)

(b) Details of working capita] loans borrowed/planned to be borrowed by AI arc as under:—

Year	Loan Amount	From
1993-94	Nil	
1994-95	Nil	
1995-96	Nil	
1996-97	USD 22.9393 millions	Buyers Credit Facility
	Rs. 200 crores	Rupee Loan from Indian Banks.

(c) To improve its financial position, Air India is taking steps to augment capacity, intensify marketing efforts, reduce non-operating costs and to improve its pruduct, image and on time performance.

Liberalisation Policy with regard to NRI investment

3975. DR. ALLADI P. RAJKUMAR: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government's attention has been drawn to a news-item appearing in the "Times of India" (New Delhi) on 26.6.1997 under the heading "Government may allow 75% holding by NRIs in aviation";

(b) whether Government have evolved policy in aviation which is focussing on liberalisation as such possible with regard to NRI investment in the aviation sector; and

(c) if so, the broad outlines thereof and whether it would not effect the domestic industry in the country?

THE MINISTER OF CIVIL AVIATION (SHRI CM. IBRAHIM): (a) Yes Sir.

(b) and (c) In accordance with the new policy guidelines on foreign and NRI/ OCB equity participation in domestic air transport services:—

1. Foreign equity upto 40% and NRI/ OCB investment upto 100% would be permitted in the domestic air transport services.

2. Equity from foreign airlines will, however, not be allowed directly or indirectly, in the domestic air transport services.

3. The existing companies operating in the domestic air transport sector in which equity is held by foreign airlines, directly or indirectly, will be advised to disinvcst equity held by foreign airlines, within a period of six months.